PROPOSAL

VALUES-BASED BEVERAGE SYSTEM AT UC BERKELEY

A no-contract approach
UC BERKELEY'S
POURING RIGHTS
CONTRACT

10 Year contract (August 4, 2011)
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Exclusive right to sell/promote
UC BERKELEY'S POURING RIGHTS CONTRACT

- 10 Year contract (August 4, 2011)
- Exclusive right to sell/promote
- Pepsi products & ads everywhere
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$1.3 M in sponsorship
UC BERKELEY'S POURING RIGHTS CONTRACT

10 Year contract (August 4, 2011)

- Exclusive right to sell/promote
- Pepsi products & ads everywhere
- $1.3 M in sponsorship
- Cal Athletics, ASUC, RSSP & Rec Sports
UC BERKELEY'S
POURING RIGHTS
CONTRACT

- 10 Year contract (August 4, 2011)
- Exclusive right to sell/promote
- Pepsi products & ads *everywhere*
- $1.3 M in sponsorship
- Cal Athletics, ASUC, RSSP & Rec Sports
- End (July 31, 2021)
Pepsi does NOT reflect our campus values:

- **Health:** UCB Food & Beverage Choices Policy
- **Sustainability:** Cal Zero Waste by 2020 goal
- **Equity/Inclusivity:** UCB’s Principles of Community
- **Corporate Responsibility:** UPP’s Guiding Principles
How do we design a beverage procurement system that:

- Does not rely on a pouring rights contract
- Aligns with UC Berkeley’s values
- Ensures financial stability
- ?
Part 1

We can promote health by limiting sugar-sweetened beverage (SSB) sales & by procuring a greater variety of healthier beverages.
Literature Review

Limit SSBs consumption → Reduce obesity & diabetes\textsuperscript{5}

Literature Review

Limit SSBs consumption ➔ Reduce obesity & diabetes

Policy

UCB’s Food and Beverage Choices Policy
Guidelines for action
Literature Review

Limit SSBs consumption → Reduce obesity & diabetes\textsuperscript{5}

Policy

UCB’s Food and Beverage Choices Policy\textsuperscript{4}
Guidelines for action

Cost-Benefit Analysis

Cost of Diabetes in 2017 ~ $237 billion\textsuperscript{6}
Annual cost of Obesity ~ $147 billion\textsuperscript{7}

Literature Review

Limit SSBs consumption → Reduce obesity & diabetes

Policy

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Cost-Benefit Analysis

Cost of Diabetes in 2017 ~ $237 billion
Annual cost of Obesity ~ $147 billion

Long-Term Benefit

Limiting SSBs consumption can reduce health care costs in the future.
Part 2

Tap water promotion, no SSBs in dining halls and an eventual phase-out of SSBs can promote health, sustainability and meet student desires.
Goal alignment

UC Healthy Beverage Initiative (HBI)$^8$
Cal Zero Waste by 2020$^2$
Goal alignment
UC Healthy Beverage Initiative (HBI)\(^8\)
Cal Zero Waste by 2020\(^2\)

Risk assessment
Concerns about
- consumer preference
- inclusivity
Goal alignment
UC Healthy Beverage Initiative (HBI)\textsuperscript{8}
Cal Zero Waste by 2020\textsuperscript{2}

Risk assessment
Concerns about
\begin{itemize}
\item consumer preference
\item inclusivity
\end{itemize}

Data-driven evidence
UCB Spring 2019 Student Survey\textsuperscript{9}
\begin{itemize}
\item 90\% more likely to purchase a meal plan or no effect
\item 93\% SSBs available in fewer places
\end{itemize}
Goal alignment
UC Healthy Beverage Initiative (HBI)²
Cal Zero Waste by 2020²

Risk assessment
Concerns about
  • consumer preference
  • inclusivity

Data-driven evidence
UCB Spring 2019 Student Survey³
  • 90% more likely to purchase a meal plan or no effect
  • 93% SSBs available in fewer places

Financial modelling
SAVE $800,000 + maintenance
Part 3

A no-contract beverage procurement system that utilizes multiple distributors & an independent vending machine company is better aligned w/ UCB values.
Literature Review: concerns with Big Soda

Health\textsuperscript{10}
Sustainability\textsuperscript{11}
Equity\textsuperscript{12}

Literature Review: concerns with Big Soda

Health\textsuperscript{10}
Sustainability\textsuperscript{11}
Equity\textsuperscript{12}

Other no-contract models

UCSF\textsuperscript{13}
SFSU\textsuperscript{14}
University of Vermont\textsuperscript{15}

Literature Review: concerns with Big Soda

Health\textsuperscript{10}
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Other no-contract models

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University of Vermont\textsuperscript{15}

Stakeholder Feedback

Can use current Cal Dining Distributors
More flexibility & better prices
Beverage costs & revenues can balance out
Literature Review: concerns with Big Soda

Health
Sustainability
Equity

Other no-contract models

UCSF
SFSU
University of Vermont

Stakeholder Feedback

Can use current Cal Dining Distributors
More flexibility & better prices
Beverage costs & revenues can balance out

Financial modelling

Additional admin costs – not tangible
$120,000/year for additional staff
$150,000 to replace retail/concessions equipment + maintenance
Part 4

There are several beverage distributors that meet our value-based business partner evaluation criteria.
Our Criteria

Inspired by credible sources\textsuperscript{16, 17, 18}

Corporate Responsibility
Commitment to health, sustainability and just labor practices
Fair pricing & appropriate offerings

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Distributor Evaluation

The majority of distributors and a vending machine company scored higher than PepsiCo
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Next Step
Ensure financial stability through sponsorship
Sponsorship from a health insurer can ensure financial stability of UCB programs & align with our values of health & equity.
At least $1.3 million/year
~can ask for more
~must be wary about increasing dependence
Identification

Kaiser
HealthNet
Anthem Blue Cross

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Evaluation
Community health initiatives they have funded
Commitment to equity
**Identification**

Kaiser  
HealthNet  
Anthem Blue Cross

**Evaluation**

Community health initiatives they have funded  
Commitment to equity

**Strong belief in this strategy**

Evidence-based  
Benefits to health insurers  
Better alignment with Guiding Principles of UCB
Our Ask
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Sever ties with Big Soda
Our Ask

- Sever ties with Big Soda
- Adopt no-contract beverage system
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- Promote tap water & limit SSB sales
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- Adopt no-contract beverage system
- Promote tap water & limit SSB sales
- Partner with a health insurer to replace sponsorship
- Promote UCB values
Implementation Plan

**Short-term (0-1 yr)**
- Post tap water & reusable bottle signage
- Partner w/ health insurer
- Identify beverage distributors
- Create new procurement policy

**Medium-term (1-3 yrs)**
- Remove non-water bev marketing
- Install new H2O refill stations
- Install health insurer’s ads
- Distribute sponsorship $$
- End Pepsi contract
- Procure beverages from distributors
- Follow Food & Bev Choices Policy
- Hire 2 staff & replace beverage equipment

**Long-term (3-5 yrs)**
- Begin phase-out of bottled water
- Advocate for more public funding
- Phase out SSB sales